

# Australia and the U.S. Rebalancing to Asia Strategy

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## Summary

Australia, a traditionally staunch U.S. ally, is exploring ways to support the U.S. strategy of increasing its involvement in Asia—often called the rebalancing to Asia strategy—at a time when Australia has embarked on significant cuts to its defense budget. Australia is seeking to strengthen its long-standing defense alliance with the United States without jeopardizing its important trade relationship with China. Australia’s strategic geography is increasingly focused on its north and west at a time when the United States is also increasingly focused on the same areas, namely Southeast Asia and the northern reaches of the Indian Ocean. An analysis of Australia’s role in the United States’ Asia strategy is particularly relevant as Congress considers future U.S. strategy, force structure, and defense procurement decisions.

Australia’s place in the U.S. rebalancing to Asia strategy is an important one to a large extent because the United States and Australia share many values and strategic perspectives. Australia’s strategic worldview generally is one that views the United States as a force for good in the world and in Australia’s Indo-Pacific region. The May 2012 Australian force posture review gives insight into Australian strategic thinking relative to its defense posture. While there is strong support for further developing bilateral defense cooperation with the United States, planned Australian defense budget cuts, and their potential impact on Australian defense capability plans, may place limits on the extent to which Australian defense capabilities can grow in the years ahead. That said, Australia has a relatively strong economy and a political context that could lead to more defense capability development in the future. What is clear is that there is strong bipartisan elite and popular support in Australia for remaining a close and valuable strategic ally of the United States.

During President Obama’s visit to Australia in 2011, he and Australian Prime Minister Julia Gillard announced the deployment of up to 2,500 United States Marines to Australia’s Northern Territory. This deployment is one of the most tangible examples of the rebalancing to Asia strategy, and also demonstrates Australia’s resolve to support that strategy. When in Australia, President Obama stated, “Our alliance [with Australia] is going to be indispensable to our shared future, the security we need and the prosperity that we seek, not only in this region but around the world.” The Marine rotational deployment announcement, and subsequent disclosures of additional plans to further expand the United States’ already strong alliance relationship with Australia, did much to give the rebalancing to Asia strategy military substance. It was also during his speech to the Australian Parliament that President Obama pledged not to cut the United States’ Asia Pacific force posture as cuts to the U.S. defense budget are considered.

Australia’s decision to place renewed emphasis on its strategic relationship with the United States within the context of America’s rebalancing to Asia strategy makes its partnership with the United States a valuable piece of U.S. strategic engagement with the Indo-Pacific region. Australia’s decision to strengthen its American alliance may also reflect growing uncertainty in Canberra with the evolving correlates of power in Asia.

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Australia figures into the U.S. rebalancing to Asia strategy in geopolitical, diplomatic, military, intelligence, and economic terms.<sup>1</sup> Australia is a strong supporter of the U.S. rebalancing to Asia strategy, as it has long held the view that continued U.S. presence in the region is a stabilizing influence on the region that enhances Australian security interests.<sup>2</sup> (For a detailed analysis of the rebalancing strategy see CRS Report R42448, *Pivot to the Pacific? The Obama Administration's "Rebalancing" Toward Asia*, coordinated by Mark E. Manyin.) Australia will likely seek to support the U.S. rebalancing to Asia strategy with diplomatic and political support, by providing territory to support U.S. posture in the region, by maintaining interoperability, through joint efforts in the Southwest Pacific, and through joint facilities.<sup>3</sup> While the "boots on the ground" deployment of U.S. marines in Darwin is a very significant symbolic deployment, anticipated future expansion of U.S. and Australian naval and air cooperation could be strategically more important. The rotational presence of U.S. forces in Australia should also enhance the ability of U.S. and Australian forces to deploy in a joint fashion to meet regional challenges in the future across a spectrum of contingencies from humanitarian assistance and disaster relief to more traditional security situations.

Australia figures prominently in the new strategy for several reasons. In addition to their symbolic value, the Darwin rotations meet U.S. strategic goals by providing for a more dispersed U.S. force structure in the Asia Pacific, while providing for more joint training opportunities with Australia and other nations in the region and by providing a flexible presence in the region. U.S. marines will reportedly be based at the Australian Bradshaw and Mount Bundy training areas in the Northern Territory. (Go to [http://www.defence.gov.au/oscdf/adf-posture-review/docs/base\\_map.pdf](http://www.defence.gov.au/oscdf/adf-posture-review/docs/base_map.pdf) for map of key Australian defense infrastructure sites.) The Marine force in the Northern Territory is expected to expand gradually and is not expected to reach its full strength of 2,500 until 2016. There are several benefits to Australia of the marines' deployment:

- The deployment increases the ability of Australian forces to train and learn from American forces;
- It provides an opportunity for Australian forces to work with Marines and other countries in combined exercises and training in or close to Australia;
- It provides a tangible sign of both countries' commitment to adapting and renewing the alliance; and
- The deployment also enhances Australia's strategic credibility in Asia.<sup>4</sup>

There is very strong elite and popular support for the alliance in Australia, which finds expression in the leadership of both the ruling Labor Party and the opposition Liberal-National Coalition. Both Prime Minister Julia Gillard and Opposition Leader Tony Abbot are viewed as strong supporters of the alliance. While there is a high level of support for the alliance across the political spectrum in Australia, Australia is also grappling with issues related to having such a

<sup>1</sup> The rebalancing to Asia strategy has shifted America's primary strategic focus from the Middle East and Southwest Asia to the maritime strategic environment in the Indo-Pacific region. The rise of China is a central dynamic related to this shift.

<sup>2</sup> Brendan Nicholson, "US Seeks Deeper Military Ties," *The Australian*, March 28, 2012.

<sup>3</sup> Mark Thomson, "Australia's Response to US Re-engagement in Asia," East West Center Presentation, September 25, 2012.

<sup>4</sup> Rory Medcalf views in Sarah Serizawa, "An Australian Perspective on U.S. Rebalancing Toward Asia," *National Bureau of Asian Research*, April 30, 2012.

close strategic relationship with the United States while also having very important trade ties with a rising China. China became Australia's largest trading partner in 2009.<sup>5</sup>

The United States and Australia are also exploring expanded joint training with air and naval assets. The United States Air Force is reportedly exploring the possibility of greater use of Australian airbases in the north of Australia. Of particular note is the possible use of Australia's Naval Base *HMAS Stirling* near Perth, Australia. This base could be used to support U.S. ships and submarines operating in the Indian Ocean Region (IOR).

The United States and Australia also continue to have a very close intelligence relationship. The two nations have reportedly begun discussions for the use of the Australian Cocos Island for U.S. manned and unmanned surveillance operations. The Cocos Islands are approximately 2,750 km northwest of Perth, Australia. Their location would facilitate surveillance patrols of the northern reaches of the Indian Ocean.<sup>6</sup>

Australia is also important in the economic and trade aspects of the rebalancing strategy. Australia has a strong focus on international trade and is the world's 13<sup>th</sup>-largest economy. Australia largely avoided the global recession and is expected to grow by 3.25% in 2012. It has a strong resource, particularly mining, sector, which is a significant part of its exports. Australia joined the Trans-Pacific Partnership (TPP) negotiations shortly after the United States signaled its intent to join the negotiations.<sup>7</sup> Such an agreement could build on the progress in trade relations made through the Australia-United States Free Trade Agreement. China is Australia's largest two-way trading partner, and a significant percentage of Australia's trade is with Asia Pacific Economic Cooperation (APEC) nations. Australia's leading trade partners are China (20.4%), Japan (12.1%), and the United States (9%).<sup>8</sup> The United States is the largest investor in Australia and Australia is the ninth-largest provider of foreign direct investment in the United States.<sup>9</sup>

The Australian component of the United States' rebalancing to Asia strategy is part of a broader set of U.S. initiatives with friends and allies in the region. Other key aspects of the rebalancing strategy include the deployment of littoral combat vessels to Singapore, the shifting of troops from Okinawa to Guam, enhanced dialogue rotations and training with the Philippines, and enhancing defense cooperation with regional friends such as New Zealand.

The development of an enhanced alliance on Indonesia's doorstep reportedly appeared to concern Indonesia at first. These concerns appear to have been allayed subsequently. Indonesia has suggested joint military disaster relief exercises with Australia and the United States. That said, attention by the United States and Australia will likely need to be given to Indonesia to reassure Indonesia that their enhanced security alliance is not a threat to Indonesian interests. Indonesia's geographic proximity to Australia will ensure that it remains a strategic priority for Australia.<sup>10</sup>

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<sup>5</sup> Economist Intelligence Unit, "Australia: Country Report," September 2012.

<sup>6</sup> It is of historical interest to note that in 1914 the Australian light cruiser *HMAS Sydney* sank the German Raider *Emsden* off the Cocos Islands. Mark Dodd, "Cocos Confirmed as Pivotal Military Base," *The Australian*, May 4, 2012.

<sup>7</sup> See CRS Report R42694, *The Trans-Pacific Partnership Negotiations and Issues for Congress*, coordinated by Ian F. Fergusson.

<sup>8</sup> Australian Government, Department of Foreign Affairs and Trade, "Composition of Trade Australia," <http://www.dfat.gov.au/publications/stats-pubs/cot-fy-2011-12.pdf>.

<sup>9</sup> "Australia-US Trade and Investment," Department of Foreign Affairs and Trade, [http://www.dfat.gov.au/geo/us/trade\\_investment.html](http://www.dfat.gov.au/geo/us/trade_investment.html).

<sup>10</sup> "Yudhoyono Proposes Australia-US-Indonesia Exercises," *Reuters*, July 3, 2012.

## Political Context in Australia

The expansion of Australia's already close alliance relationship with the United States was facilitated politically by a dramatic increase in Australian popular opinion of U.S. leadership with the election of President Obama. While the alliance and the United States in general have long been very popular with Australia, Australian's opinion of U.S. leadership under former President Bush was relatively low despite the great affection between President Bush and former Prime Minister John Howard. Australians' approval of U.S. leadership increased from 25% in 2008 to 69% in 2010.<sup>11</sup> This increase in popularity of U.S. leadership, along with increased support for the alliance, likely gave Australian political leaders the political space to take the alliance to the next level.

When Prime Minister Gillard addressed the United States Congress in March 2011, she asserted that Australia "is an ally for all the years to come."<sup>12</sup> In doing so she reflected both elite and popular support for the alliance in Australia. That said, the Gillard government's recent cuts to defense would limit the resources available to fully implement defense plans that were outlined in the last White Paper.<sup>13</sup> An October Newspoll found that Labor's primary vote had increased to 33% as the Coalition's support fell from 47% to 45%.<sup>14</sup> The Coalition is composed of the right-of-center Liberal and National political parties. (For more information see CRS Report RL33010, *Australia: Background and U.S. Relations*, by Bruce Vaughn.)

Opposition Leader Tony Abbott of the Liberal Party has been critical of the Gillard government's plans to cut defense spending. He reportedly sees one of his key challenges if elected prime minister as seeking to rebuild defense capability that he views as having been underfunded by the Gillard government. Abbott has stated that his government would "aspire" to restore 3% real growth in defense spending and would in the first 18 months of his government make decisions on a new generation of submarines, with work on them centering around the South Australian shipyards. He has also pledged to make a decision on other key defense acquisitions such as the Joint Strike Fighter acquisition. Abbott also stated that his government would produce a new defense white paper early in his term of office that would consider "basing more of our military forces in northern Australia, especially resource rich areas with little or no current military presence."<sup>15</sup> Abbott has also promised to protect the "sharp end of the spear" and cut the defense bureaucracy. Some view a potential Abbott government as a return to a defense posture that was similar to that of former Prime Minister John Howard.<sup>16</sup>

Tony Abbott strongly supported the Gillard government's decision to move forward with the deployment of U.S. Marines to the Northern Territory and to deepen the alliance with the United States.<sup>17</sup> Abbott went so far as to call for Darwin to be made into a new Joint Defense facility.

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<sup>11</sup> Linda Lyons, "US Leadership Approval Soars in Australia, New Zealand," *Gallup Poll*, July 15, 2010.

<sup>12</sup> Nick Bisley, "No Hedging in Canberra: The Australia-US Alliance in the Asian Century," East-West Center, *Asia Pacific Bulletin*, April 3, 2012.

<sup>13</sup> "Labor Now a Lame Duck," *Financial Review*, April 23, 2012.

<sup>14</sup> Dennis Shanahan, "Wipeout Averted But Sex Still Plays," *The Australian*, October 5, 2012.

<sup>15</sup> Michelle Grattan, "Abbott Takes Aim at 3% Defence Growth Target," *Sydney Morning Herald*, September 25, 2012.

<sup>16</sup> Peter Lloyd, "Abbott Outlines Defence Policy," *ABC Radio*, September 25, 2012.

<sup>17</sup> Jonathan Pearlman, "Obama Feels the Love in Australia," *The Straits Times*, November 24, 2011.

Abbott also called for even closer military and intelligence ties with the United States and stated “we shouldn’t be reluctant to have further joint facilities with the Americans.”<sup>18</sup>

Whatever the political outcome of the next election, it is likely that there will continue to be strong support for moving forward with current plans to expand and upgrade Australia’s alliance with the United States in the context of the Obama Administration’s Pacific Pivot strategy.

## **The ANZUS Alliance and AUSMIN**

While U.S. and Australian forces have fought side by side in World War I, World War II, the Korean War, the Vietnam War, Iraq, and most recently in Afghanistan,<sup>19</sup> their ties to one another in the Asia Pacific can be traced back to the invitation by Australia to President Theodore Roosevelt to have his Great White Fleet visit in 1908. The visit of the Great White Fleet to Australia was part of the United States’ demonstration of its rising power and blue water naval capabilities and was used by Australia to encourage support for building its own navy. Although the U.S.-Australian strategic partnership can trace its beginnings to this period, it was not until after the fall of then-British-controlled Singapore in World War II that Australia came to view the United States, rather than the United Kingdom, as its most valuable strategic partner.

### **ANZUS**

The ANZUS alliance between the United States, Australia, and New Zealand, which celebrated its 60<sup>th</sup> anniversary in 2011, has shown a high degree of resilience since its founding in 1951. While New Zealand’s anti-nuclear policies led the United States to suspend its alliance commitments to New Zealand during the Cold War, the United States and New Zealand have recently returned to closer defense cooperation through the Wellington Declaration of 2010 and the Washington Declaration of 2012.<sup>20</sup> It should be noted that this return to close defense cooperation between the United States and New Zealand, while a reflection of strengthening bilateral ties, is not a return to the formal treaty alliance. At its core, the ANZUS alliance has a strong foundation built on shared values, history, and culture. It is this base that has allowed the alliance between the United States and Australia to evolve even as the larger geopolitical contexts for the alliance have shifted dramatically over time. The now bilateral ANZUS Alliance between the United States and Australia has evolved through several distinct phases over its history, including Post World War II, Cold War, Post Cold War, the struggle against Islamic militants, and the United States rebalancing to Asia phases.

When the ANZUS treaty was signed by Australia, New Zealand, and the United States in 1951, Australia was concerned about the potential for a resurgent Japan while the United States was increasingly concerned about the rise of the Soviet Union. During the Cold War, Australia came to share U.S. concerns about the Soviet Union and played a key role in U.S. deterrence strategy through its early warning role.<sup>21</sup> The alliance continued to be relevant through the post-Cold War period and was first evoked by Prime Minister Howard after the 9/11 attacks on the United States

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<sup>18</sup> Steve Lewis and Ian McPhedran, “Abbott Supports U.S. Bases,” *The Daily Telegraph*, November 17, 2011.

<sup>19</sup> Between 2003 and 2009 an estimated 20,000 Australian troops spent time in Iraq and about 1,500 troops remain in Afghanistan.

<sup>20</sup> Bruce Vaughn, “The United States and New Zealand: Perspectives on a Pacific Partnership,” Ian Axford Public Policy Paper, August 2012.

<sup>21</sup> Early warning refers to the system that would alert the United States to the launch of ballistic missiles during the Cold War.

and the beginning of the struggle against Islamic militants.<sup>22</sup> The alliance remains strong today, with Australia viewing the geopolitical environment in the Indo-Pacific region in terms very similar to those of the United States.

The terms of reference of the alliance have expanded over time. Today the treaty is seen in Australia not only as a means for it to gain support for the defense of Australia, but also as a means of helping to secure a U.S. commitment to help maintain stability in the Asia Pacific region as a whole.<sup>23</sup> While the alliance has enjoyed strong support at the elite level it has also been very popular amongst the people. While President Obama and Prime Minister Gillard, as well as her predecessor former Labor Prime Minister Kevin Rudd (whom Gillard replaced in 2010) see the world in largely similar terms, former President Bush and former Prime Minister Howard also shared a similar view of the world.

This affinity between the leaders of the two nations is also shared at a popular level. While there have been some limited ebbs and flows over time, Australians overwhelmingly support the U.S. alliance. About 82% of Australians are supportive of the alliance.<sup>24</sup> On the eve of the November 2011 Obama visit to Australia, 74% of Australians felt that the relationship with the United States was “about right” or “not close enough.”<sup>25</sup>

## AUSMIN

At the core of the ANZUS alliance is the Australia-United States Ministerial (AUSMIN) process. This annual meeting of the U.S. Defense Secretary and Secretary of State and their Australian counterparts, the Minister of Defence and Foreign Ministers, guides and shapes the alliance relationship. At the September 2011 meeting Secretary Clinton stated the “ties between our two nations are as close as any in the world,” while then Foreign Minister Rudd stated, “No one can overestimate the importance of the sharing of common values” when discussing the alliance.<sup>26</sup>

The two nations also underscored the growing importance of the Asia Pacific and recognized the need to “work together to shape the evolving strategic landscape that connects the Indian and Pacific Oceans.” Among other points, the 2011 AUSMIN Joint Communiqué stated that the two nations “Welcome the emergence of a stable, peaceful and prosperous China that plays a constructive role in Asian and global affairs.” The Communiqué also welcomed India’s “Look East” policy and identified a need to deepen strategic ties with India. The two nations reaffirmed their commitment to work together and play a constructive role in the Pacific and in developing regional architectures in the Asia Pacific to enhance peace and prosperity, and reiterated their support for freedom of navigation, respect for international law, and “unimpeded lawful commerce in the South China Sea.”<sup>27</sup>

The 2011 AUSMIN meeting also strengthened alliance cooperation, interoperability, and capabilities particularly in the areas of space, cybersecurity, and force posture development. The

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<sup>22</sup> “Treaty Withstands the Test of Time,” *Canberra Times*, November 17, 2011.

<sup>23</sup> Nick Bisley, “No Hedging in Canberra: The Australia-US Alliance in the Asian Century,” *Asia Pacific Bulletin*, East-West Center, April 3, 2012.

<sup>24</sup> Sarah Serizawa, “An Australian Perspective on U.S. Rebalancing Toward Asia,” *National Bureau of Asian Research*, April 30, 2012.

<sup>25</sup> Phillip Coorey, “Poll Shows Most Australians Happy with US Relationship,” *The Sydney Morning Herald*, November 15, 2011.

<sup>26</sup> “Transcript of Joint Press Conference with Defence Minister Stephen Smith, Foreign Minister Rudd, US Secretary of State Hillary Clinton and US Secretary of Defense Panetta,” San Francisco, September 15, 2011.

<sup>27</sup> “Australia-United States Ministerial Consultations (AUSMIN) 2011 Joint Communiqué,” September 15, 2011, <http://foreignminister.gov.au/releases>.

Joint Communiqué articulated expanded cooperation on space situational awareness, growing cyber threats, and initiatives stemming from the Force Posture Bilateral Working Group which was established in 2010. More specifically, the Communiqué “refined and assessed a range of potential cooperative initiatives” including

- options for increased U.S. access to Australian training, exercises, and test ranges;
- the prepositioning of U.S. equipment in Australia;
- options for greater use by the United States of Australian facilities and ports; and
- options for joint and combined activities in the region.

A Joint Statement on Cyberspace issued in September 2011 stated that the two nations would consider a cyberattack on either as triggering the mechanisms of the ANZUS Treaty.<sup>28</sup>

## **The Australian Defense Budget**

The Australian economy weathered the global financial crisis very well relative to other developed nations. Australian unemployment is about 5%, Australia’s government debt is relatively low, and the vibrant mining sector has contributed significantly to real GDP growth, which is projected to be 3.2% in 2012.<sup>29</sup>

Nevertheless, in Australia, as in other developed nations, there is movement to cut defense spending. The desire of Australian voters for balanced budgets and small levels of government debt has led the current Gillard government to cut defense spending in order to achieve a government budget surplus. As a result, many of the ambitious procurement plans outlined in Australia’s 2009 Defence White Paper issued under the previous Labor government of former Prime Minister Kevin Rudd have been shelved or postponed. (Over the past six decades 54% of Australian arms imports have come from the United States.)<sup>30</sup> The 10% year-on-year cut to defense spending in 2012, with a two-year plan to reduce defense spending to an estimated 1.5% of GDP, was implemented to help achieve a budget surplus.<sup>31</sup>

## **Australia’s Strategic World View**

Australia has long sought to balance its strategic relationship with the United States with its profitable economic relationship with China. This dynamic is also set against a long-running debate in Australia on the extent to which it is an Asian country. The previous Liberal government of John Howard articulated many Australians’ sentiments by asserting the view that Australia did not have to choose between its history and geography, meaning that it could retain its strong affinities with Britain, the United States, and the West while being a partner with Asia, particularly in trade and economic terms.

Australia favors America’s reengagement with Asia with expanded bilateral military ties between the United States and Australia, as well as strengthened multilateral institutions and trade ties, such as the East Asia Summit (EAS), Trans Pacific Partnership (TPP), and Asia Pacific Economic

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<sup>28</sup> “Joint Statement on Cyberspace,” Department of Foreign Affairs and Trade, September 2011.

<sup>29</sup> “Australia: Country Report,” *The Economist Intelligence Unit*, September 2012.

<sup>30</sup> “Australia Matters for America,” *East West Center*, Washington, 2011.

<sup>31</sup> Mark Thomson, “Confusion Down Under: Australia and the US Pivot to Asia,” *East-West Center*, September 18, 2012.

Cooperation (APEC), that can develop an Asia Pacific architecture for the peaceful resolution of disputes and expanded prosperity through enhanced trade. Australia was a founding member and key advocate for APEC in 1989.

During much of Australia's history Australia has sought U.S. military presence in Australia or its region. Close to 1 million U.S. servicemen passed through Australia during World War II, and Australia sought a Joint U.S. and Australian Base in the Pacific in the post-war period. The United States and Australia also established Intelligence Facilities at Northwest Cape, Nurungar, and Pine Gap in the 1960s.<sup>32</sup> These facilities provided key intelligence and communications to the United States during the Cold War.

More recently, Minister of Defense Stephen Smith has stated that:

the presence of the United States in the Asia Pacific region is unambiguously a force for peace and security and for prosperity and that's why we strongly support what we're doing already ... and the point we've made to China is that it's not inconsistent with Australia having a comprehensive relationship with China as we do and also having a military alliance with the United States.<sup>33</sup>

While Canberra clearly seeks to have a strong economic relationship with China, while also having a strong strategic and economic relationship with the United States, some Australian strategic analysts are of the view that the desire to strengthen the alliance reflects growing unease among some in strategic circles in Canberra with the rise of China and is a hedge against strategic uncertainty in the Asia Pacific.

The October 2012 "Australia in the Asian Century" report is the most recent articulation of Australia's position in the evolving geopolitical and geoeconomic dynamics of Asia. The report has been described by some as a detailed and comprehensive blueprint for Australia's own pivot to Asia which also sets a course that makes Australia a "quintessential ally for the United States."<sup>34</sup> Others have described the report's regional security component as echoing conventional thinking in Australia.<sup>35</sup>

At the time of the drafting of Australia's last defense white paper in the lead up to its 2009 release there were reportedly debates between so-called "China Hawks" and "China Doves" over the proper course for Australia to take with China. This reportedly involved a debate between the Office of National Assessments (ONA)<sup>36</sup> and elements of the Department of Foreign Affairs and Trade (DFAT) and the more hawkish Department of Defense with the then Prime Minister Kevin Rudd coming down in favor of a more guarded view of China. Rudd also reportedly made a personal intervention into the White Paper process and the decision to double the submarine

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<sup>32</sup> James Curran, "The Eagle Down Under," *China Focus*, January 11, 2012. <http://www.chinafocus.com>.

<sup>33</sup> "Minister for Defence Stephen Smith—Interview with Chris Uhlmann," Australian Broadcast Corporation, March 28, 2012.

<sup>34</sup> Ernest Bower, "Australia Establishes a Framework as a Quintessential Asia Pacific Ally," Center for Strategic and International Studies, November 1, 2012.

<sup>35</sup> Sam Bateman, "Australia in the Asian Century: How Much New Thinking?" *RSIS Commentaries*, November 1, 2012.

<sup>36</sup> The Office of National Assessments provides the Australian government with assessments and analysis of international political, strategic and economic developments that affect Australia's interests. Its work draws on intelligence and reporting from other Australian government agencies as well as publically available information. For more information see Australian Government, "Office of National Assessments: Global Insight for a Changing World," <http://ona.gov.au/about-ona/director-general%27s-message.html>.

fleet.<sup>37</sup> It has also been reported that Rudd, who described himself as a brutal realist on China, advised Secretary of State Clinton to be prepared to use force against China if things go wrong.<sup>38</sup>

Australia's 2009 Defense White Paper took as its central theme the notion that the distribution of global power was shifting from the West to a more multi-polar and Asia Pacific-centered world. It also reaffirmed the importance of Australia's alliance with the United States and called for the largest peacetime expansion of the Australian navy. It laid the foundation upon which decisions were made to augment Australia's defense capabilities, particularly through the proposed acquisition of a fleet of 12 new and larger submarines, Globe Master transport aircraft, two large amphibious vessels, air warfare destroyers, and upgrades to Australia's F/A-18 Super Hornet aircraft to cover an anticipated gap until up to 100 Joint Strike Fighters (JSF) could be purchased. New budget realities may force a rethink of the timeline for some of these systems. A new 2013 Defense White Paper is planned to rearticulate Australia's strategic vision into the future. Its direction may well be influenced by the recently concluded Australian Force Posture Review.

While there is some strategic unease related to the rise of China, Australia has done very well economically through trade with China. Australian Foreign Minister Bob Carr takes the view that global economic and strategic levers of power will be more dispersed in the years ahead.<sup>39</sup> Carr described his first visit to Beijing as being dominated by China's concerns over Australia's military relations with the United States.<sup>40</sup> Carr also expressed optimism that an Australia-China Free Trade Agreement, which has been under discussion for some time, could move forward in the year ahead.

There are a range of views among strategic analysts in Australia with some more concerned about China's strategic rise than others. Strategic analyst Ross Babbage, in a 2011 Kokoda Foundation paper assessing Australia's evolving strategic environment, has written that Australia's strategic environment in the future will be markedly different "largely as a consequence of the very rapid rise of China's People's Liberation Army (PLA) and China's more assertive behavior which directly challenges the United States and allied forces in the Western Pacific." Babbage goes on to write that there will be a need to develop Australia's defense to "offset and deter the rapidly expanding PLA in Australia's approaches."<sup>41</sup> Other strategic commentators, such as Paul Dibb, have argued that it will be a long time before China is a peer competitor to the United States.<sup>42</sup> Dibb has also argued that too much has been made about the inevitability of the rise of China and the relative decline of the United States.<sup>43</sup>

Some have alleged that there was a secret chapter to the 2009 Defence White Paper that dealt with Australia's potential ability to fight an air-sea battle alongside the United States against China in order to blockade Chinese sea routes and stop the flow of resources to China in the event of a conflict with China. The existence of the alleged secret chapter has not been confirmed. Reports about the alleged chapter were reportedly based on a book, *The Kingdom and the Quarry: China, Australia, Fear and Greed*, by David Uren.<sup>44</sup> Some believe that in such a conflict

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<sup>37</sup> Cameron Stewart, "The Battle for the Pacific," *The Australian*, March 29, 2012.

<sup>38</sup> John Garnaut, "The Chinese Have Former PM Pegged," *The Sydney Morning Herald*, December 6, 2010.

<sup>39</sup> "US China War Would Be Disastrous," April 25, 2012. <http://usnews.com/news/>.

<sup>40</sup> "China Still Concerned About Australia-US Relationship," *Radio Australia*, May 15, 2012.

<sup>41</sup> Ross Babbage, "Australia's Strategic Edge in 2030," Kokoda Paper No. 15, February 2011.

<sup>42</sup> Paul Dibb, "China Not About to Attack the United States," <http://www.eastasiaforum.org>.

<sup>43</sup> Paul Dibb, "Two Geopolitical Fallacies: The Rise and Rise of China and the Inevitable Decline of the United States," Lecture at the Hedley Bull Theatre, The Australian National University, September 5, 2011.

<sup>44</sup> Brendan Nicholson, "Secret War with China Uncovered," *The Australian*, June 2, 2012.

China could seek to destroy the Pine Gap Joint U.S.-Australian Signals facility near Alice Springs.<sup>45</sup>

While the dominant view of the Australian government is for continued strengthening of defense ties with the United States, there is a minority view expressed by some outside government that Australia could harm its economic relationship with China by coming too close to the United States. The chief proponent of this view is Hugh White, a former senior defense official and current Professor of Strategic Studies at the Australian National University. White's "Power Shift: Australia's Future Between Washington and Beijing," published in the journal *Quarterly Essay* in October 2010, pondered the question of whether China will replace the United States as leader of the Asia Pacific and if so "should we [Australia] continue to support America and so divide Asia between our biggest ally and our biggest trading partner?" White draws the conclusion that China will challenge America's position in the Asia Pacific and that the longer it takes for the two sides to restructure their relationship the more likely it will be that the two will become strategic adversaries, raising the chances that a minor conflict could escalate into a more dangerous one. Therefore, according to White's argument, Australia should urge the United States to accommodate China's rise to avoid conflict. In his 2012 book, *The China Choice: Why America Should Share Power*, White argues that the United States has three options: (1) resist China's challenge and try to preserve the status quo in Asia; (2) step back from its dominant role in Asia, leaving China to attempt to establish hegemony; or (3) allow China a larger role but also maintain a strong presence. White argues for the third path with the United States sharing power with China.<sup>46</sup>

## Australian Force Posture Review

The Australian Defense Force Posture Review, which was released by Prime Minister Gillard and Defense Minister Stephen Smith on May 3, 2012, was conducted in the context of a number of Australian strategic and security terms of reference, including:

- The rise of the Asia Pacific as a region of global strategic significance;
- The rise of the Indian Ocean rim as a region of global strategic significance;
- The growth of military power projection capabilities of countries in the Asia Pacific;
- The growing need for the provision of humanitarian assistance and disaster relief; and
- The rising importance of energy security and security issues associated with expanding offshore resource exploitation in Australia's North West and Northern approaches.

The vast energy and mineral resources of Australia's northern and western regions, including the offshore Gorgon oil and gas fields,<sup>47</sup> as well as the need to support "operations with our partners in the wider Asia Pacific region and the Indian Ocean rim," led the review to advocate the development of military infrastructure in Australia's north and west.

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<sup>45</sup> Jonathan Pearlman, "Aussies Red-Faced Over Secret War Plan Against China," *Straits Times*, June 6, 2012.

<sup>46</sup> Hugh White, *The China Choice: Why America Should Share Power* (Collingwood: Black Inc. 2012).

<sup>47</sup> The Greater Gorgon Area Gas fields are Australia's largest known natural gas fields. Chevron has a 47.3% interest in and operates the Gorgon project which is Australia's largest single resource project. Chevron, "Australia: Business Portfolio," <http://www.chevron.com/countries/australia/businessportfolio/>.

China has played a key role in Australia's economic growth in recent years. A June 2012 projection by the Australian Bureau of Resources and Energy Economics forecast growth in energy commodity exports due largely to exports of coal, natural gas, and uranium. A potential slowing in Chinese demand in conjunction with weak global demand could have a negative impact on Australian exports.<sup>48</sup> Some have cautioned that Australia should not become overly reliant on trade with China. China-Australia two-way trade has increased significantly since China surpassed Japan to become Australia's largest trade partner in 2007.<sup>49</sup>

Under the Force Posture Review, military infrastructure plans would include the development of support facilities at *HMAS Stirling* (Fleet Base West) to support major surface combatants as well as enhance Broome, Darwin, and Cairns as naval bases. In addition, the review also recommended upgrades at Edinburgh, Learmonth, Pearce, Tindal, and Townsville to facilitate operations by KC-30, UAV, and P-8 aircraft.<sup>50</sup> The review recommended the development of a supplementary East Coast Fleet Base at Brisbane to accommodate future submarines and large amphibious ships. It also recommends that Fleet Base West at Stirling is "also able to be used for deployments and operations in Southeast Asia and the Indian Ocean by U.S. Navy major surface combatants and aircraft carriers" and "ensuring that such facilities are also able to be used by U.S. Navy submarines." The report further stated:

This review complements the work underway with the United States on its global force posture review initiatives involving Australia, specifically the implications for Australia's force posture of the initiatives announced during President Obama's visit to Australia in November 2011. It has also considered the potential for additional Australia-US force posture initiatives in the future.<sup>51</sup>

This type of Australian Defense planning, that seeks to develop Australian force posture and defense infrastructure with an explicit goal of operating more closely with its American ally, demonstrates the extreme operational closeness of the ANZUS alliance and a very high level of concurrence in strategic perceptions. In addition, it was reported that the Gillard government worked closely with the U.S. government on the U.S. Force Posture Review.<sup>52</sup> Australia and the United States "resolved to work collaboratively on their force postures in the Asia Pacific" in a 2010 communiqué.<sup>53</sup> The work done on the Force Posture Review may be used in the preparation of the 2013 Defense White Paper. The fact that the Force Posture Review was written by two former Secretaries of Defense, Ric Smith and Allen Hawke, adds weight to their recommendations.

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<sup>48</sup> R. Hoyle, "Australian Mineral and Energy Exports to Jump as Prices Rise," *Dow Jones Newswire*, June 27, 2012.

<sup>49</sup> Philip Wen and Peter Cai, "Greater Balance Needed on Trade in the Region," *The Sydney Morning Herald*, October 13, 2012.

<sup>50</sup> Stephen Smith, Minister for Defence, "Release of Final Defence Force Posture Review," May 3, 2012.

<sup>51</sup> Allen Hawke and Ric Smith, *Australian Defence Force Posture Review*, Australian Government, March 30, 2012, p. v.

<sup>52</sup> Cameron Stewart, "The Battle for the Pacific," *The Australian*, March 29, 2012.

<sup>53</sup> Australia and the United States Joint Working Group on the US Global Force Posture Review, Australia United States Ministerial Consultations, November 8, 2010.

## Australia's Strategic Geography and U.S. Rebalancing to Asia

The National Defense Authorization Act for FY2012 required the U.S. Department of Defense to commission an independent assessment of U.S. force posture in the Asia Pacific. The review was undertaken by the Center for Strategic and International Studies (CSIS) in Washington. The CSIS study highlighted the importance of Australia as a key U.S. ally in the region and noted the importance of its strategic geography to U.S. strategy:

Australia's geography, political stability, and existing defense capabilities and infrastructure offer strategic depth and other significant military advantages to the United States in light of the growing range of Chinese weapons systems, U.S. efforts to achieve a more distributed force posture, and the increasing strategic importance of Southeast Asia and the Indian Ocean.<sup>54</sup>

The report discussed possible enhanced U.S. naval access to Australian naval facilities at *HMAS Stirling*, pointing out its direct blue water access to the Indian Ocean, submarine facilities and its "space for expanded surface ship facilities, including potentially a dock capable of supporting aircraft carriers." Minister for Defence Stephen Smith responded to media discussion of the proposal by reportedly ruling out any suggestion of a permanent home port for a carrier strike group.<sup>55</sup> That said, negotiations are reportedly underway to increase general U.S. naval access to Australia's Indian Ocean naval base at *HMAS Stirling*.<sup>56</sup>

The Indian Ocean is an increasingly important center of geostrategic interest where American and Australian strategic geography overlap. Former Foreign Minister Rudd stated that "the pressures on the Gulf and the West Indian Ocean choke points will intensify, as India grows and East Asian centres of growth remain reliant on Gulf energy and African resources."<sup>57</sup> An estimated 75% of Asia's hydrocarbon imports transit the Indian Ocean. U.S. strategic interests in the region include maintaining the region as a free and secure transit route for international commerce; being able to swing U.S. forces from the Pacific theater through to the Persian Gulf or Middle East should the need arise; maintaining freedom of navigation through the strategic choke points controlling access into and out of the Ocean such as the Straits of Hormuz and the Straits of Malacca; preventing piracy, failing states, or militants in the littoral region from threatening U.S. interests; and helping to prevent regional tensions (such as those that exist between India and Pakistan or between India and China) from escalating into larger conflicts that could undermine U.S. interests.<sup>58</sup>

Australia's geographic location is now more central to the strategic geography of the current age than it was during the Cold War, which was centered on a potential NATO-Warsaw Pact confrontation in Central Europe. Today's strategic geography focuses on the sea lanes that link the energy-rich Persian Gulf through the northern reaches of the Indian Ocean and the Straits of

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<sup>54</sup> Michael Green and David Berteau et al. *U.S. Force Posture Strategy in the Asia Pacific Region: An Independent Assessment*, Center for Strategic and International Studies, August 2012.

<sup>55</sup> Michael Evans, "Canberra Rejects US Scheme for Carrier Base to Face Down China," *The Times*, August 3, 2012.

<sup>56</sup> Rod McGuirk, "Australia Rejects Nuclear Aircraft Carrier Proposal," *China Daily*, August 3, 2012.

<sup>57</sup> The Hon. Kevin Rudd, "The Case for American Engagement in Asia: The Australian Perspective," Asia Foundation, San Francisco, September 15, 2011.

<sup>58</sup> Michael Green and Andrew Shearer, "Defining U.S. Indian Ocean Strategy," *The Washington Quarterly*, Spring 2012.

Malacca to the expanding economies of Southeast and Northeast Asia. An estimated 40% of global trade and 50% of energy trade flow through the Straits of Malacca.<sup>59</sup> This, plus the Asia rebalancing strategy's focus on shifting U.S. military forces south from northeast Asia, makes Australia's geo-strategic position more directly relevant to U.S. strategy. At a geopolitical level, Australia strongly welcomes the strategic presence of the United States in the Asia Pacific and Indian Ocean littoral regions. It views the U.S. role in the region as a stabilizing one that balances the region and sees the United States as its key strategic partner.

Australia's geography and culture are at the core of its worldview. Australia's area of direct strategic interest includes both the Asia Pacific and an increasing focus on the Indian Ocean littoral region. In the words of Australian Deputy Secretary Strategy, Brendan Sargeant,

The Asia Pacific region, including the Pacific and Indian Oceans ... is emerging as a single strategic domain, a domain that is predominantly a maritime environment, within which the level of economic interdependency and competition among countries is increasing.<sup>60</sup>

This Indo-Pacific conception of strategic geography is consistent with the evolving U.S. strategic conception of the Indo-Pacific region as articulated by Secretary of State Clinton as part of the rebalancing to Asia strategy. In her article in *Foreign Policy*, "America's Pacific Century," she made the case for the U.S. rebalancing to Asia strategy, and defined the Asia Pacific as "stretching from the Indian Subcontinent to the western shores of the Americas, the region spans two Oceans—the Pacific and the Indian—that are increasingly linked by shipping and strategy."<sup>61</sup>

Although Australia is located in the Indo-Pacific region and has a significant Asian and smaller Aboriginal minority, it is still a nation largely drawn from British, Irish, and European people. While Australia is increasingly comfortable with, and knowledgeable about, its Asian neighborhood, there remains in the collective Australian psyche a degree of existential unease over being a largely European nation of small population, approximately 23 million, occupying a continent with substantial natural resources located relatively close to the huge and expanding population centers of Asia.

Australia's strategic culture involves feelings of insecurity and isolation. These stem from nineteenth century exposure to the great power rivals of the British Empire and from concerns for much of the twentieth century over vulnerability in the face of expanding Asian powers and populations (heightened by Japan's aggression in World War II).<sup>62</sup>

In this way, Australia favors a strategic environment that includes the United States as an active and engaged partner in Asia.

## **The Defense Budget and Capability Development Plans**

Although there is much political will in support of the U.S. rebalancing to Asia strategy in Australia, there may be budgetary limits on the extent to which Australia can follow through with its defense plans. The Gillard Labor government announced a budget in May 2012 that should

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<sup>59</sup> Cameron Stewart, "The Battle for the Pacific," *The Australian*, March 29, 2012.

<sup>60</sup> Brendan Sargeant, Deputy Secretary Strategy, "Security in a Shifting Global Order: Challenges for Policy Makers," Keynote AUSCSCAP Maritime Workshop, Canberra, March 22, 2012.

<sup>61</sup> Hillary Clinton, "America's Pacific Century," *Foreign Policy*, November 2011.

<sup>62</sup> Rory Medcalf, "Australia: Allied in Transition," in Ashley Tellis et al., eds., *Strategic Asia 2008-09, Challenges and Choices*, The National Bureau of Asian Research, 2008.

deliver a budget surplus for the 2012/2013 fiscal year ending June 30, 2013. Australia is one of only eight countries with a stable AAA rating from the three major rating agencies. Australian Treasurer Wayne Swan described the budget as seeking to spread the benefits of the Australian mining sector to the most vulnerable segments of society. Some have described Swan as a modern-day Robin Hood who is seeking to “win back Labor’s heartland and get its polls out of the dumpster.”<sup>63</sup> While tax policy was used to realize savings, budget cuts were also used. This has led to significant cuts to the defense budget. Australian defense spending reached AD\$26.5 billion in 2011-2012.

The Gillard Labor government has reversed previous commitments to increase defense spending and has cut the defense budget by AD\$5.4 billion over four years.<sup>64</sup> This would lead to a drop in defense spending from 1.8% of GDP in 2011/2012 to an estimated 1.6%. An estimated AD\$1.7 billion of defense budget cuts will come from an anticipated peace dividend derived from the expected end of Australia’s military commitments to Afghanistan, East Timor, and the Solomon Islands by mid-2015.<sup>65</sup>

The government has cut defense and implemented other policies in order to finance domestic programs while also delivering a budget surplus. At this level of spending, Australia is closer to European levels of defense spending rather than the United States. The United States spends 4.77% of GDP on defense while the United Kingdom (2.57%), Germany (1.34%), and Spain (1.05%) spend far less.<sup>66</sup> The year 2012 is the first in centuries where defense spending in Asia will surpass that of Europe.<sup>67</sup>

Cuts to the defense budget are to be achieved by reductions in the civilian defense work force and by delaying or cancelling acquisitions and deferring capital works. When announcing the cuts, Prime Minister Gillard made a commitment not to reduce the number of uniformed personnel. It is estimated that the government will save AD\$1.6 billion by delaying the purchase of 12 Joint Strike Fighter F-35 aircraft for the Royal Australian Air Force by two years.<sup>68</sup> The government has had plans to purchase up to 100 F-35 aircraft for AD\$16 billion.

Australia has recently made some increases in its defense capabilities. Australia has announced that it will spend \$1.5 billion to equip 12 Super Hornet fighter bombers with “Growler” electronic warfare capabilities. The Growler system will reportedly enable these aircraft to effectively paralyze enemy communications and missile systems. Australia is the only nation to be allowed to purchase this U.S. technology.<sup>69</sup> Australia’s airlift capability has been modernized and expanded in recent years as well. Australia will take delivery of its sixth and final C-17 A Globemaster III in October 2012. The Globemasters give Australia an intercontinental transport capability.<sup>70</sup>

The government did announce an allocation of funds to advance the design of the navy’s new fleet of submarines. The Gillard government, while not ruling out a foreign purchase, stated that

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<sup>63</sup> Adele Ferguson, “Swan Targets the Rich and Keeps His Fingers Crossed,” *The Dominion Post*, May 14, 2012.

<sup>64</sup> The U.S. and Australian dollars are roughly equivalent with one U.S. dollar equal to 0.98 cents Australian.

<sup>65</sup> Dylan Welch, “Biggest Hit Strips \$5.5 Billion From Military’s Spending,” *The Age*, May 9, 2012.

<sup>66</sup> Paul Kelly, “Military Spending Slumps to Lowest Level Since 1930s,” *The Australian*, May 11, 2012.

<sup>67</sup> “Asia 2012 Military Spending to Top Europe,” *Reuters*, March 8, 2012.

<sup>68</sup> Brendan Nicholson, “Slicing Forces Spells Civilian Job Losses,” *The Australian*, May 9, 2012.

<sup>69</sup> Brendan Nicholson, “\$1.5 Billion Purchase Beefs Up Air Force’s Strike Capabilities,” *The Australian*, August 24, 2012.

<sup>70</sup> Nigel Pittaway, “Australian Airlift Goes Global,” *Defense News*, October 15, 2012.

the submarines would be built in Adelaide.<sup>71</sup> Australia's existing submarines, the Collins Class submarines, have come under serious criticism including that of a former commander who has described the Collins class as obsolete and unsustainable.<sup>72</sup> The Prime Minister's move forward with the submarines may indicate a relative emphasis on the navy and a maritime focus to Australian strategy in the forthcoming 2013 White Paper.<sup>73</sup> It has also been reported that United States officials have expressed interest that Australia move forward with the submarines purchase. Many international submarine builders, including U.S.-based Electric Boat as well as U.S. systems specialists Raytheon and Lockheed Martin, have expressed interest in the project.<sup>74</sup>

## Australia and Ballistic Missile Defense<sup>75</sup>

Australia has been a long-standing strategic partner of the United States in the area of early warning of ballistic missile attack, signals intelligence, and strategic communications. During the Cold War, Australia likely put itself at risk of nuclear attack by hosting the Northwest Cape U.S.-Australian naval communication facility. The missile launch detection site at Nurrungar and the Pine Gap signals intelligence ground station may also have been targets during the Cold War.<sup>76</sup>

Efforts to develop an Asian regional ballistic missile defense (BMD) system designed to counter ballistic missile threats from North Korea seem to be gaining momentum. Such a system could reinforce the rebalancing to Asia strategy. There are reportedly plans to develop a BMD system that could cover large parts of Asia. Such a system could reportedly include an early warning X-band radar in southern Japan and possibly another radar in Southeast Asia which could be linked with missile defense ships and land-based interceptors.<sup>77</sup>

Australia has been in consultations with the United States on this development. The 2011 AUSMIN Joint Communiqué stated:

Australia noted and will continue to consult with the United States as it develops the phased adaptive approach to BMD outlined in the U.S. BMD Review, which will allow missile defense to be adapted to the threats unique to the Asia-Pacific. We are continuing our cooperation to build a more detailed understanding of regional ballistic missile threats; cooperative research on systems to counter such threats; and options for practical cooperation in this area.<sup>78</sup>

Defence Minister Stephen Smith has stated it is a "theoretical possibility" that the Jindalee Operational Radar Network (JORN) could be incorporated into an anti-missile system.<sup>79</sup>

A recent Center for Strategic and International Studies assessment has pointed to potential initiatives with Australia including "full Australian participation in U.S. theater missile defense,

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<sup>71</sup> John Kerin, "Budget Cuts to Go Deeper in Defence," *Financial Review*, May 4, 2012.

<sup>72</sup> Cameron Stewart, "Obsolete Collins Fleet 'A Cause Lost,'" *The Weekend Australian*, April 21-22, 2012.

<sup>73</sup> Derek Woolner, "Budget Cuts Under Fire," *Financial Review*, May 4, 2012.

<sup>74</sup> John Kerin, "Gillard Bows to US on Submarines," *The Australian Financial Review*, November 24, 2012.

<sup>75</sup> For additional information see a forthcoming CRS Report, *Ballistic Missile Defense in the Asia Pacific: Cooperation and Opposition*, by Ian Reinhart, Steven Hildreth, and Susan Lawrence.

<sup>76</sup> Philip Dorling, "Revealed: Cities at Little Risk of Bombing," *The Sydney Morning Herald*, August 6, 2012.

<sup>77</sup> Adam Entous and Julian Barnes, "U.S. Plans New Asia Missile Defenses," *The Wall Street Journal*, August 23, 2012.

<sup>78</sup> The Hon. Kevin Rudd, "Australia-United States Ministerial Consultations (AUSMIN) 2011 Joint Communiqué," September 15, 2011.

<sup>79</sup> Brendan Nicholson, "N Korea Threat Boosts US Ties," *The Australian*, September 19, 2012.

including an Australian decision to equip its new air warfare destroyers with standard missile-3 (SM-3) missiles.”<sup>80</sup> There is also speculation in the media that the Australian JORN may be incorporated into a larger region-wide system. JORN can reportedly bounce signals off the ionosphere to see beyond the horizon.<sup>81</sup> Australia’s new air warfare destroyers reportedly have the capability of being fitted with systems capable of intercepting ballistic missiles.<sup>82</sup>

## Issues for Congress

There are several issues for Congress related to Australia’s role as an ally of the United States in the context of the Obama Administration’s rebalancing to Asia strategy. While current cuts to the Australian defense budget will likely limit the amount of Australian defense procurement in the near term, based on historical trends, future purchases of key Australian weapons systems will likely lead to sales for the U.S. defense industry. In exercising its role of oversight of the Administration’s strategy, Congress may also wish to keep informed of the strategic disposition of one of America’s key allies in the region. There are also budget implications which Congress may wish to consider related to America’s forward presence in the region.

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<sup>80</sup> Michael Green and David Berteau et al. *U.S. Force Posture Strategy in the Asia Pacific Region: An Independent Assessment*, Center for Strategic and International Studies, August 2012.

<sup>81</sup> Brendan Nicholson, “Aussie Role Tipped for US Missile System,” *The Australian*, August 24, 2012.

<sup>82</sup> Brendan Nicholson, “N Korea Threat Boosts US Ties,” *The Australian*, September 19, 2012.